

122 FERC ¶ 61,006
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

January 4, 2008

In Reply Refer To:
Sabine Pipe Line LLC
Docket No. RP08-112-000

Chevron Pipe Line Company
P.O. Box 430
Bellaire, TX 77402-0430

Attention: Mary Anne Collins, Regulatory Manager
Chevron Pipe Line Company

Reference: Revised Fuel Reimbursement Percentages

Ladies and Gentlemen:

1. On December 7, 2007, Sabine Pipe Line LLC (Sabine) filed a revised tariff sheet¹ and supporting work papers reflecting adjustments to its fuel gas and unaccounted for gas reimbursement percentages (FRPs and UFRPs, respectively) pursuant to section 27 of the General Terms and Conditions (GT&C) of its tariff. In addition, Sabine filed revised tariff sheets² reflecting the UFRP and FRP percentages to the nearest one-hundredth (1/100) percent (0.00%), as opposed to the currently effective one-tenth (1/10) percent (0.0%), to more accurately track the respective gas quantities. Sabine requests the Commission waive the notice requirements, pursuant to section 154.207, to permit its filing and tariff sheets to become effective January 1, 2008. Sabine's revised tariff sheets reflecting the UFRP and FPR percentage change to the nearest one-hundredth (1/100) percent (0.00%) are accepted effective January 1, 2008, as proposed. In addition, as discussed below, Sabine's revised tariff sheet reflecting adjustments to its FRP and UFRP is conditionally accepted and suspended, subject to refund and further Commission action, to become effective January 1, 2008.

¹ Ninth Revised Sheet No. 20, to its FERC Gas Tariff, Original Volume No. 1.

² First Revised Sheet Nos. 317, 317A and 318, to its FERC Gas Tariff, Original Volume No. 1.

2. Section 27 of Sabine's GT&C requires Sabine to adjust its FRP and UFRP each November based on actual data for the preceding twelve month period covering November through the following October. The revised tariff sheet reflects the following adjustments to the FRPs and UFRPs:

- (1) An increase from 0.6 to 0.82 percent for FRP for Port Neches;
- (2) An increase from 0.2 to 0.24 percent for FRP for the Henry Hub; and,
- (3) An increase from 0.0 to 0.26 percent for UFRP applied to all transportation services.

3. The Commission noticed Sabine's filing on December 11, 2007. Interventions and protests were due December 19, 2007, as provided in section 154.210 of the Commission's regulations.³ Pursuant to Rule 214,⁴ all timely filed motions to intervene and any motions to intervene out-of-time that are filed before the issuance date of this order are granted. Granting late intervention at this stage of the proceeding will not disrupt this proceeding or place additional burdens on existing parties. On December 11, 2007, Sequent Energy Management, L.P. (Sequent) filed a motion to intervene and protest. On December 20, 2007, Coral Energy Resources, L.P. (Coral) filed an out-of-time motion to intervene and protest.⁵ On December 27, 2007, Sabine filed an answer. Under Rule 213(a)(2) of the Commission's Rules of Practice and Procedure,⁶ answers to protests or answers are prohibited unless otherwise ordered. Accordingly, the Commission will not accept Sabine's answer because it does not assist the Commission in its decision-making process.

4. In its motion to intervene and protest, Sequent states that Sabine has not provided sufficient data or detail for parties to thoroughly analyze the proposed increases. Sequent next states that certain schedules in Sabine's filing (*e.g.*, Schedule A, Workpaper 1 of 3) show inconsistencies in data relative to "Total Measured Deliveries" and "Unaccounted For Gas." Specifically, Sequent submits that during certain mid-to-late 2007 months (July through October), unaccounted for gas does not correspondingly trend with the associated deliveries. Sequent argues that Sabine makes no attempt to thoroughly explain such anomalous data and believes that Sabine should be required to provide reasons and explanations for this type of activity so shippers can make more informed decisions concerning the proposed changes in UFRP.

³ 18 C.F.R. § 154.210 (2007).

⁴ 18 C.F.R. § 385.214 (2007).

⁵ In its protest, Coral adopts the arguments, positions and relief requested by Sequent in its protest.

⁶ 18 C.F.R. § 213(a)(2) (2007).

5. Sequent next requests that the Commission require Sabine to delineate on its worksheet support pages and provide FRP and UFRP on a Low Pressure (LP) and High Pressure (HP) basis by month. Sequent believes this data will allow parties to analyze fuel requirements and UFRP across various receipt and delivery sections for the Port Neches and Henry Hub designations. Sequent indicates that, in fact, Sabine's tariff sheet (proposed Ninth Revised Sheet No. 20) contains such a breakout for the associated percentages, and as such, a detailed spreadsheet calculation must be made available that supports the tariff sheet LP/HP values.

6. Sequent also requests that the Commission require Sabine to allocate increases in UFRP and FRP to those points where fuel is consumed the most and to provide the associated workpapers for such a calculation. Next, Sequent questions the initial columnar heading on Workpaper 2 of 3 as well as Workpaper 3 of 3: "Actual Fuel Usage November 2007-October 2007." Sequent states that it presumes that the November 2007 designation is merely a typographical error and should read "Actual Fuel Usage November 2006-October 2007."

7. Finally, Sequent states that Sabine's workpapers provided in this filing are too general in nature and lack the requisite detail for parties to examine and fully investigate the proper application of the true-up mechanism, which, it states, the Commission ordered in Sabine's previous fuel proceeding.⁷ Sequent points out that this filing represents Sabine's first annual fuel re-determination. Given the above, Sequent requests that the Commission suspend the instant filing until the proposed revisions have been fully investigated by the parties.

8. Sequent raises valid concerns regarding Sabine's filing and whether Sabine has provided sufficient data to permit the parties to analyze the proposed changes to the UFRP and FRP. It is important that parties have the opportunity to fully scrutinize the application of the proposed tariff language as it relates to Sabine's UFRP and FRP values. The Commission finds that the tariff sheets have not been shown to be just and reasonable, and may be unjust, unreasonable, and unduly discriminatory, or otherwise unlawful.

9. The Commission lacks sufficient information at this time to resolve the issues raised by Sequent's protest. Accordingly, within 30 days of the date this order issues, Sabine must:

- (A) Provide additional reasons and explanations for the anomalous data during July 2007 through October 2007, including real time monitoring procedures, specific circumstances affecting its system's lost and unaccounted for volumes (flow changes, metering calibrations, maintenance (scheduled or unscheduled)) and detailed spreadsheet calculations in Microsoft Excel format; and

⁷ See *Sabine Pipe Line LLC*, 116 FERC ¶ 61,309 (2006).

- (B) Provide any other additional workpapers to support its proposed FRPs and UFRPs to address the parties' concerns, including detailed spreadsheet calculations in Microsoft Excel format.

Reply comments may be filed 15 days following the date that Sabine's compliance filing is made.

10. The Commission accepts Sabine's First Revised Sheet Nos. 317, 317A and 318, effective January 1, 2008, as proposed. The Commission also accepts and suspends Sabine's Ninth Revised Sheet No. 20, effective January 1, 2008, subject to refund and further Commission action, as described below.

11. The Commission's general policy is to suspend rate filings for the maximum period permitted by statute if preliminary study leads the Commission to believe that the filing may be unjust, unreasonable, or that it may be inconsistent with other statutory standards. *See Great Lakes Gas Transmission Co.*, 12 FERC ¶ 61,293 (1980) (five-month suspension). It is also recognized however, that shorter suspensions may be warranted under circumstances in which suspension for the maximum period may lead to harsh and inequitable results. *See Valley Gas Transmission, Inc.*, 12 FERC ¶ 61,197 (1980) (one-day suspension). Such circumstances exist here. Accordingly, the Commission will exercise its discretion to suspend the rates for a shorter period and permit the rates to take effect on January 1, 2008, subject to refund and further Commission action.

By direction of the Commission.

Kimberly D. Bose,
Secretary.